

Social Security

Working
While Disabled —
How We Can Help



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Part 1 — Why We Want To Help You Return To Work

If you are receiving Social Security disability insurance benefits or Supplemental Security Income (SSI) disability benefits, but still want to work, this booklet provides information to help you treat your disability as a “bridge,” not the end of the road.

The decision to work and earn as much as you can is yours, of course. However, many people see their work as more than just extra cash. They cite the satisfaction they get from overcoming a disability through their abilities, making new friends and getting back in the mainstream. Most find that their earnings gradually increase to the point where they are better off working than not working.

A National Policy

Most of the rules discussed in this booklet are the result of laws passed in 1980 and 1987. In addition, Congress passed the Americans With Disabilities Act in July 1990, which prohibits discrimination against people with disabilities who wish to work. Helping people with disabilities to lead independent and fuller lives is a national policy affecting both the government and the private sector.

How We Can Help You Work

If you're like most people, you would rather work than stay home. But working is a big step for a person with a disability, and you probably have many fears and questions about what could happen to your monthly benefits. "How will my benefits be affected?" "Will I lose my Medicare or Medicaid?" "What about the extra cost of working because of my disability?" Social Security and SSI have special rules called "work incentives" to help you overcome some of these fears and problems. These work incentives include:

- cash benefits while you work;
- Medicare or Medicaid while you work;
- help with any extra work expenses you may have as a result of your disability; and
- help with education, training and rehabilitation to start a new line of work.

Social Security disability insurance benefits are paid to people with disabilities or to individuals who are blind who have worked under Social Security and to their dependents. SSI disability benefits are paid to people with disabilities or to individuals who are blind who have little income and few resources. Social Security beneficiaries with low income and few resources also may qualify for SSI. Although there are differences between Social Security and SSI, the work incentives under both

programs are designed to accomplish the same objective: to provide support and assistance while you attempt to return to work or as you enter the workforce for the first time.

Part 2 — What You Should Know About Social Security Work Incentives

Work Incentive Rules At A Glance

Following is a brief description of the rules that will help you work while you get Social Security disability benefits. More detail is included in the pages that follow.

Trial Work Period—If you return to work for nine months (not necessarily consecutive), your earnings will not affect your Social Security benefit. If the nine months of trial work do not fall within a 60-month period, you may have even longer to test your ability to work.

Extended Period Of Eligibility—For at least 36 months after a successful trial work period, if you continue to work while disabled, you may receive a benefit for any month your earnings fall below the “substantial gainful activity” level (in 1999, \$500 a month for people with disabilities, \$1,110 a month for people who are blind).

Continuation Of Medicare—If your Social Security disability insurance benefits stop because your earnings are at the substantial gainful activity level but you are still disabled, Medicare can continue for at least 39 months after the trial work period ends. After that, you can buy Medicare coverage by paying a monthly premium.

Impairment-Related Work

Expenses—Certain expenses for things you need because of your impairment in order to work may be deducted when counting earnings to determine if you are performing substantial work.

Recovery During Vocational Rehabilitation—If you medically recover while participating in a vocational rehabilitation program that is likely to lead to becoming self-supporting, benefits may continue until the program ends.

Special Rules For Blind Persons—If you are blind, several special rules will help you work.

Help For Low-Income Medicare

Beneficiaries—If you get Medicare and have low income and few resources, your state may pay your Medicare premiums and, in some cases, other “out-of-pocket” Medicare expenses such as deductibles and coinsurance. Only your state can decide if you qualify. To find out if you do, contact your state or local welfare office or Medicaid agency. For more general information about the program, contact us and ask for a

copy of the leaflet, *Medicare Savings for Qualified Beneficiaries* (HCFA Publication No. 02184).

Answers To Most Commonly Asked Questions

How Long Will Social Security Continue While I Work?

Generally, you'll receive your full monthly Social Security benefit for a year after you return to work. If you continue to work beyond that while still disabled, your eligibility for monthly cash benefits will continue for at least another 36 months. Here's how it works:

You usually can have a **trial work period of nine months** (not necessarily consecutive) during which your benefits will not be affected by your earnings regardless of how much you earn. A trial work month is any month in which your total earnings are more than \$200 or, if you are self-employed, you earn more than \$200 (after expenses) or spend more than 40 hours in your own business. When nine trial work months are successfully completed within 60 months, we review your work to see if your earnings are "substantial." (Generally, \$500 per month is considered "substantial" earnings.) If they are, your benefits would continue for three more months and then stop.

However, if you are still medically disabled and continue to work in spite of your disability, your benefits can be reinstated anytime during the next 36 months. During this time, you will receive your full Social Security benefit for any month your earnings fall below \$500. Benefits would continue as long as you remain disabled and your earnings do not exceed \$500 a month.

How Much Can I Earn Before I Start Losing Benefits?

Usually, earnings of more than \$500 a month are considered substantial. If your earnings average **less than** \$500 a month, your benefits generally would continue indefinitely.

If your earnings average **more than** \$500 a month, this is considered an indication of your ability to work.

During the trial work period, there are no limits on your earnings. During the 36-month extended period of eligibility, the \$500 level is the cutoff point. But, under another work incentive rule explained in the next answer, the work expenses you have as a result of your disability are deducted when we count your earnings to see if they affect your benefits. This means your earnings could be substantially higher than \$500 before they affect your benefits.

What Kind Of Help With My Work Expenses Can I Expect?

We deduct work expenses related to your disability from your earnings before we determine your continued eligibility for benefits. These expenses may include the cost of any item or service you need to work, even if the item or service also is useful to you in your daily living. Examples include a seeing eye dog, prescription drugs, transportation to and from work (under certain conditions), a personal attendant or job coach, a wheelchair or any specialized work equipment.

If you also receive SSI payments, see Pages 18-20 about a special rule called a “plan for achieving self-support” (PASS) that permits you to set aside funds and resources for a specific work goal.

What Happens If I Lose My Job?

If you lose your job during a trial work period, your benefits are not affected. If you lose your job during the 36-month “extended period of eligibility” (see Pages 4 and 5), call us and your benefits will be reinstated as long as you are still disabled. You do not have to reapply for benefits or undergo any “waiting period” as you did when you first applied for disability benefits.

If you become unable to work due to your disability after you complete the extended period of eligibility, you would have to reapply. If you become unable to work due to your disability

within five years after you complete the extended period of eligibility and your claim is approved, there would be no waiting period. If your new application for benefits is approved, you have the opportunity for another trial work period and extended period of eligibility.

How Long Would Medicare Continue Once I Start Working?

Your Medicare coverage will continue through the trial work period and for at least 39 months after the trial work period if you are still disabled. During this period, your hospital insurance coverage is free. Your coverage continues even for those months during this period when your earnings are too high for you to receive cash benefits. When your Medicare coverage runs out after this period and you are still disabled, you may purchase the same coverage for a monthly premium.

What About Help With Rehabilitation, Training Or Education?

If you are likely to benefit from rehabilitation, you are referred to a state rehabilitation agency or private organization for rehabilitation services. We pay for the services if you are successfully rehabilitated. If you recover from your disability while in an approved rehabilitation or training program that is likely to result in your becoming self-supporting, benefits will continue until the program is over.

For example, if you were in a nurse's aide training program and your condition improved so that you were no longer disabled, benefits ordinarily would stop. But if you have contacted Social Security and we are aware of your participation in the program and have approved it, then your benefits would continue until the program is over. For more information on Social Security and vocational rehabilitation, ask for the special leaflet, *How Social Security Can Help With Vocational Rehabilitation* (Publication No. 05-10050).

How Do I Find Out If I Can Work Again?

Just notify any Social Security office that you want to start working on a trial basis. If a periodic review of your condition was scheduled, we will put it off until your trial work period is over.

Are There Special Rules For Blind Workers?

If you are a blind person who works while receiving Social Security benefits, special rules apply to you.

- You can earn up to \$1,110 a month in 1999 before your earnings affect your benefits.
- If your earnings are too high to receive disability benefits, you are still eligible for a disability "freeze." This means that those years in which you had low or no earnings because of your disability will not be counted

in figuring your future benefits, which are based on your average earnings over your worklife.

- If you are age 55 to 65, a more lenient rule is used to determine your inability to work. It says that you can receive disability benefits if you cannot do the same or similar work you did before you reached age 55 or became blind, whichever is later. (The regular rule requires that a disabled person be unable to do any type of work in the general economy.) For more information on special rules for blind persons, ask Social Security for the booklet, *If You Are Blind— How We Can Help* (Publication No. 05-10052).

Example Of What Happens When You Work Under Social Security While Disabled

Pamela Watson, age 24, was receiving disability benefits of \$557 a month based on a childhood condition that made it difficult for her to walk. She wanted to work but was afraid of losing her benefits and Medicare. When she discussed this with a Social Security representative, she was told about disability work incentives under which she could work and still get cash benefits and Medicare. She found out that for the first nine months of work, her benefits would not be affected no matter how much she earned. Pamela

started working in a local laundry part time and earned \$650 a month. Here's how her income changed:

Gross earnings	\$650
Social Security check	+557
Total income	<u>\$1,207</u>

At the end of the nine months of work, Social Security evaluated Pamela's work to see if it was substantial. Since she was earning more than \$500, her work was considered substantial. Her benefits continued for three more months and then stopped. However, because she still was disabled, her benefits could be reinstated anytime during the next 36 months if her earnings dropped below \$500. During the first year after her trial work period, her company relocated outside the city, where there were no bus lines. She hired a neighbor to drive her to work and paid a co-worker to take her home. Her transportation expenses totaled \$120 a month.

In addition, she purchased a special motorized wheelchair so she could get around the new suburban plant. This cost \$75 a month. Let's figure Pamela's "countable" earnings after deducting her work expenses:

Gross earnings	\$650
Subtract work expenses	-195
Countable earnings	<u>\$455</u>

Because her countable earnings are less than \$500, Pam's Social Security checks were reinstated. Her total net income now is:

Countable earnings	\$455
Social Security check	+ 557
Total income	<u>\$1,012</u>

After a year, she paid off the motorized chair and she received a \$240 raise. Her earnings increased to \$890 a month. Her countable earnings now are:

Gross earnings	\$890
Subtract work expenses	-120
Countable earnings	<u>\$770</u>

Because her countable earnings now exceed the “substantial” level (\$500), her Social Security benefits will stop. As you can see, at each point in her working life, Pamela’s income was greater than it would have been if she had not worked. In addition, her Medicare coverage continued for 39 months following the trial work period.

Part 3 — What You Should Know About SSI Work Incentives

Work Incentive Rules At A Glance

Following is a brief description of the rules that will help you work while you get SSI benefits. More detail is included in the pages that follow.

Continuation Of SSI—If you work, you may continue to receive payments until the income we count exceeds the SSI limits.

Continuation Of Medicaid

Eligibility—Your Medicaid will usually continue even if you earn over the SSI limits if you cannot afford similar medical care and depend on Medicaid in order to work.

Plans For Achieving Self-

Support—You may set aside income and resources toward an approved plan for achieving self-support (PASS).

Work Expenses Related To Your

Disability—Certain work expenses you have because of your impairment may be subtracted from your earnings when we determine your eligibility and payment amount. If you are blind, the work expenses need not be related to the impairment.

Recovery During Vocational

Rehabilitation—If you recover while participating in a vocational rehabilitation program that is likely to lead to becoming self-supporting, benefits may continue until the program ends.

Sheltered Workshop Payments—If you work in a sheltered workshop, special rules allow us to exclude some of your earnings when we figure your SSI payment.

Disabled Students—Most scholarships or grants used to pay for tuition, books and other expenses directly related to getting an education don't

count as income if you go to school or are in a training program. You also may exclude up to \$400 of earnings a month (up to a maximum of \$1,620 a year).

Help For Low-Income Medicare Beneficiaries—If you get Medicare and have low income and few resources, your state may pay your Medicare premiums and, in some cases, other “out-of-pocket” Medicare expenses such as deductibles and coinsurance. Only your state can decide if you qualify. To find out if you do, contact your state or local welfare office or Medicaid agency. For more general information about the program, contact Social Security and ask for a copy of the leaflet, Medicare Savings for Qualified Beneficiaries (HCFA Publication No. 02184).

Answers To Most Commonly Asked Questions

How Long Will My SSI Benefits Continue After I Go Back To Work?

It depends on how much you earn. The amount of your SSI check is based on how much other income you have. When your other income goes up, your SSI check usually goes down. So when your earnings push your income over the SSI limits, your checks will stop for those months. (We discuss these limits in the answers to the next two questions.) But, your checks will start up again without a new application for

any month your income drops below the SSI limits. If you're off both SSI and Medicaid for 12 months or more, you may need to apply again.

How Do Earnings Reduce My Payments?

If your only income besides SSI is the money you make from your job, then we don't count the first \$85 in earnings you get each month. One-half of what you earn over \$85 is deducted from your SSI check.

If you have other income besides earnings (such as a Social Security check), then we don't count the first \$65 in earnings you get each month. One-half of what you make over \$65 is deducted from your SSI payments. But, \$20 of your other income, such as your Social Security check, is not counted either.

How Much Can I Earn Before I Lose All My Benefits?

If you have no other income besides earnings, you may earn up to \$1,085 a month in 1999 before losing your entire federal SSI payment. But if you live in a state that adds money to your federal SSI payment, you may earn more. If you have other income, such as Social Security benefits, the amount you can earn before losing any payment may be lower. However, when you apply for SSI disability payments, we consider earnings of \$500 or more an

indication that you are able to do “substantial work” and you would not qualify for SSI on the basis of disability.

What Happens If I Lose Or Quit My Job?

If you lose your job while you still are getting SSI, your payments will be increased because of your reduced income.

If you lose your job within 12 months after your payments were stopped because your earnings were too high, and you are still disabled, your benefits will start again without an application.

If you work for more than 12 months after your SSI or Medicaid stopped and then lose your job, you may need to reapply for SSI.

How Long Will Medicaid Continue While I’m Working?

In general, your Medicaid coverage will continue, even after your SSI payments stop, until your income reaches a certain level. That level varies with each state and reflects the cost of health care in your state. (Your Social Security office can tell you the Medicaid level for your state.) However, if your health care costs are higher than this level, you can have more income and keep your Medicaid.

Also, for Medicaid to continue, you must:

- need it in order to work;
- be unable to afford similar health insurance coverage without SSI;
- continue to have a disabling condition; and
- meet all nondisability requirements other than earnings.

If you qualify for Medicaid under these rules, we will review your case to see if you are still disabled or blind.

How Can SSI Help Me With My Work Expenses?

The rules work the same as if you were receiving Social Security benefits.

Work expenses that are related to your disability are deducted from your earnings when we figure if they are high enough to affect your benefits. These expenses may include work equipment, such as a special typewriter or desk, or modifications to your car or home to help you get to and from work. This means you can earn well over the SSI income limits and still continue to get payments.

What About Training And Rehabilitation Help?

Under SSI, there's a special rule called a "plan for achieving self-support," or PASS. A PASS permits you to put aside money and assets toward a plan designed to help you support yourself.

The money set aside won't reduce your SSI payment. The goal of your plan may be to start a business or get a job.

If you have too much income to get SSI, a PASS may help you qualify. You may set aside the necessary income and assets to accomplish a work goal, and these funds will not count when we decide if you are eligible for SSI or how much SSI you receive.

In addition, as under Social Security, if you recover from your disability while you are in an approved vocational rehabilitation program, your SSI payments will continue until you have completed the program. For more information on vocational rehabilitation opportunities, ask for the special leaflet, *How Social Security Can Help With Vocational Rehabilitation* (Publication No. 05-10050).

How Do I Get Started On A PASS?

Anyone can help you with a PASS, including your vocational rehabilitation worker, employer or the Social Security office. In general, the following rules apply:

- the PASS must state a clear and realistic work goal;
- your goal must be a job or business that will produce sufficient income to reduce your dependency on SSI payments;
- the PASS must state the amount and sources of income or resources that will be set aside;

- the PASS must state how you will spend the money;
- you must be able to achieve the goal of the PASS within a specified period of time; and
- the PASS must be approved by Social Security.

For more information about setting up a PASS, ask for the leaflet, *Working While Disabled—A Guide To Plans For Achieving Self-Support* (Publication No. 05-11017).

Are There Special Rules For The Blind?

If you are blind, most work expenses you have (not just those related to your disability) may be deducted from your income when we decide if you are eligible for SSI. For example, special clothes needed on the job or special equipment needed to work can be deducted. For more information on special rules for blind persons, ask Social Security for the booklet, *If You Are Blind — How We Can Help* (Publication No. 05-10052).

Example Of What Happens When You Work Under SSI

Denni Hunt receives an SSI payment of \$494 each month and has Medicaid coverage. This is her only income. She was offered a job in a local fast food restaurant and contacted Social Security to see how this would affect her

SSI payment. She was told that Social Security would not count the first \$85 of earnings if she had no other income.

Only half of the earnings over \$85 would be counted against the SSI payment. Here is how her SSI payment would be affected:

Gross monthly earnings	\$215
Subtract the \$85 earnings deduction	– 85
	<hr/> \$130
Divide by 2 to get earnings we count	÷ 2
	<hr/> \$ 65

Subtract earnings we count from SSI payment	\$494
	– 65
New SSI payment	<hr/> \$429
Add monthly earnings	+215
Total income	<hr/> \$644

Note that before she started working, Denni's total income was her SSI check of \$494. Now that she's working, she has that extra income in addition to her SSI check (\$429), so her total income is \$644, even though her SSI payment is slightly reduced.

Denni's pay increases to \$367 a month after 18 months. She purchases an electric wheelchair, which costs \$52 a month, to help her move around better at work. Here's how the work expense deduction helps her:

Gross earnings	\$367
Subtract the \$85 earnings deduction	- 85
	<u>\$282</u>
Subtract work expenses	- 52
	<u>\$230</u>
Divide by 2 to get earnings we count	÷ 2
	<u>\$115</u>
Subtract earnings we count from	\$494
SSI payment	-115
	<u>\$379</u>
New SSI payment	\$379
Add monthly earnings	+367
	<u>\$746</u>
Total income	\$746

So, even though her earnings went up by \$152 (from \$215 to \$367), her SSI payment was reduced by only \$50 (from \$429 to \$379) because of the work expense deduction. And her total income now is \$746, substantially more than the \$494 she had before she started working.

Denni decides that she wants to get a college degree. Her sister helps her write a PASS which describes her plans

to work and save money for school. Under the plan, she wants to save \$75 each month for school. Here's how the PASS helps her:

Gross earnings	\$367
Subtract the \$85 earnings deduction	<u>- 85</u>
	\$282
Subtract work expenses	<u>- 52</u>
	\$230
Divide by 2 to get earnings we count	<u>÷ 2</u>
	\$115
Subtract PASS	<u>- 75</u>
	\$ 40

Subtract earnings we count from	\$494
SSI payment	<u>- 40</u>
New SSI payment	\$454
Add monthly earnings	<u>+367</u>
Total income	\$821
(SSI payment plus earnings)	

So even though her earnings continue as high as they were in the previous example, her SSI checks are increased because we don't have to count the income she is setting aside to go to school. Her total income now is \$821 monthly (\$367 in earnings plus \$454 in SSI).

Part 4 — What And How You Should Report To Social Security

Whether you're receiving Social Security or SSI disability payments, it's important that you stay in touch with Social Security while you're working. We will help you plan your work effort and to show you how you can use other work incentives to achieve your work goals. You should immediately notify us to report the following:

- improvement in your health;
- change in employment status;
- change of address;
- change in the number of people in your household;
- marriage or divorce;
- change in income;
- change in savings or investments, including selling your home, real estate, car or personal property;
- change in work expenses;
- travel outside the United States;
- development or change in a PASS;
- or
- admission to or release from a hospital or other institution.

Also contact us if you start receiving worker's compensation (including Black Lung) or a public disability benefit **or** if the amount of these benefits changes.

For More Information

For more information about working while disabled, you should call the Social Security office to speak to somebody about work incentives. You can call our toll-free number, **1-800-772-1213**, between 7 a.m. and 7 p.m. on business days. Recorded information is available 24 hours a day, including weekends and holidays. Our lines are busiest early in the week and early in the month, so, if your business can wait, it's best to call at other times. Whenever you call, have your Social Security number handy.

People who are deaf or hard of hearing may call our toll-free "TTY" number, 1-800-325-0778.

You also can reach us on the Internet. Type www.ssa.gov to access Social Security information.

The Social Security Administration treats all calls confidentially—whether they're made to our toll-free numbers or to one of our local offices. We also want to ensure that you receive accurate and courteous service. That is why we have a second Social Security representative monitor some incoming and outgoing telephone calls.



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